

**THE SUBMISSION DEADLINE FOR
PROPOSALS IN RESPONSE TO THIS RFP IS
HEREBY EXTENDED TO
4:00 P.M., TUESDAY, AUGUST 17, 2004**

1. *Attachment A is a standard contract for Investment Advisor Services rather than Custodian. Is the intention for the Custodian to have discretion over the portfolio?*

No, the custodian will not have investment discretion over the portfolio.

2. *Does the Office of the Vermont State Treasurer only take custody of U.S. Securities or would this Custody and Brokerage arrangement apply to foreign securities at any point during the Contract?*

While the occurrence of foreign securities is unusual, it could happen and the Custody/Brokerage Service should be available to accommodate foreign securities.

3. *What are the number of items reported each year for:*
 - Physical
 - DTC

In fiscal 2004 (YE 6/30/04, a year with more activity than normal), there were approximately 300 total items, virtually all physical certificates.

4. *What are the number of Certificate Claims paid each year?*

In fiscal 2004, (again a year with more activity than normal) there were approximately 75 certificates reissued.

5. *What is the Market Value of the Unclaimed Property Securities Portfolio?*

Most positions were either sold or were in process with our current provider as of 6/30/04. Our current position is minimal.

6. *Would you please describe how you currently handle mutual fund/DRIPs processing?*

Mutual fund positions are dealt with directly with the mutual fund company. In the case of DRIPs, we would obtain certificates or shares to be transmitted by DTC from the DRIPs and pass them on to the Custodian/Broker selected under this RFP.

7. *Once you receive the property/securities do you have a holding period prior to your stated policy to liquidate an asset in order to avoid potential loss?*

Our intent is to have as short a holding period as possible following transmission of securities for sale to the custodian/broker. If a reasonable period of time is required to assure that a security represents good, deliverable shares, we would expect that passage of time to occur. Typically once the State receives securities within its Unclaimed Property Division, the Securities will be transmitted to the custodian/broker for either sale or reissue in a citizen's name.

8. *Are the settled funds pending transfer to the State paid upon settlement date of each transaction or held for a period of time?*

For large settlement amounts, we would request a wire transfer on settlement date. Smaller settlement amounts can be held in a custody account for accumulation to an amount appropriate for wire transfer at a later date.

9. *What is the total dollar amount of the unclaimed property account at this time and does it vary greatly during the year?*

The current amount for Unclaimed Property securities is minimal at this time inasmuch as the prior service provider has recently completed a large amount of liquidations. There are some residual reorganization and other securities held in custody by the prior service provider pending sale. The amount of unclaimed securities can vary depending upon receipt of a large (dollar amount) security at any point in time. By statute, May 1 is the deadline for reporting unclaimed property that has satisfied dormancy requirements; as a result, there is a large quantity of unclaimed property received in the month prior to that deadline.